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COM DATA



*A Ceridian Company*

November 19, 2004

**BEST IMAGE AVAILABLE**

Ms. Jennifer J. Johnson, Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, N. W.  
Washington, D.C. 20551

Re: Docket No. R-1210-Proposaal to amend Regulation E

Dear Ms. Johnson:

This letter is to provide the comments of Comdata Network, Inc. ("Comdata") to the proposal by the Board of Governors of the Federal Reserve System (the "Board") to amend Regulation E to cover payroll cards. As a provider of payroll cards, Comdata supports the Board's efforts to broaden the application of Regulation E to specifically include payroll cards; however, Comdata urges the Board to consider the modification of certain of the provisions of Regulation E for payroll cards. Accordingly, Comdata suggests that rather than amend the definition of account under the proposed new Section 205.2(b)(3), the Board should use the approach that it took with the electronic transfer of government benefits to create a separate section of Regulation E to address payroll cards.

Payroll cards are not the same as debit cards used to access personal bank accounts. They are not viewed as a substitute for a traditional bank account but as an electronic alternative to a paycheck. The employer typically contracts with the payroll card provider to offer payroll cards to its employees. Most payroll cards are not transferable from one employer to another.

Given the unique nature of payroll debit cards and the purposes that they serve, the Board should consider providing an alternative to periodic statements for payroll cards similar to the alternative for government benefits found in Section 205.15(c) of Regulation E. The financial institution should be required to provide the account information electronically, subject to the requirements of Section 205.17, or by telephone, with paper statements only provided at the request of the cardholder. An exemption should be made from the notice alert requirement in Section 205.17(c)(2)(i) regarding consumer account transaction information, if the financial institution makes this information available at all times and updates the information in real or near real time. In such instances the consumer's account information is available electronically at all times and not just once a month and so a notice to the consumer once a month is not necessary. The initial



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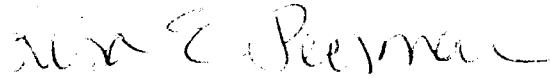
disclosure to the consumer should include an explanation that real time account information would be available electronically.

The compulsory use provision at Section 205.10(e)(2) of Regulation E should not apply to payroll cards. The employer typically contracts with the payroll card provider to offer payroll cards to its employees. It would be overly burdensome and thereby ineffective for employers to sign up with multiple payroll card providers in order to give employees a choice of providers. Instead, the employer gives the employee the choice of a payroll debit card with the selected provider or other methods of wage payments.

Thank you for the opportunity to provide comments. Please do not hesitate to contact me if you have any questions.

Very truly yours,

**COMDATA NETWORK, INC.**

A handwritten signature in dark ink, appearing to read "Lisa E. Peerman", written over a light gray rectangular background.

Lisa E. Peerman.

Vice President & Deputy Chief Counsel